

# TAX FORECLOSURE

*The following information is general. Some or all of this material may change. Specific circumstances will differ at times and may require certain exceptions.*

## \*\*\*NO GUARANTEES\*\*\*

Anyone considering buying property at a Treasurer's Sale should be aware that THERE ARE RISKS. When selling parcels, the County conveys the entirety of the interest, which it is legally capable of transferring, unless otherwise noted. However, the County does not guarantee or provide warrant to the extent of the interest. The County makes NO GUARANTEES whatsoever on parcels sold at Treasurer's sales.

The following information applies to all Treasurer's sales: "This is a BUYER BEWARE" sale. All sales are final. We offer the parcels on a "where is" and "as is" basis. The County makes no representation of warrant expressed or implied, as to the condition of the title to any property nor the physical condition of any property or its fitness for any use or purpose.

**What is Tax Foreclosure?** When real property taxes become three years delinquent, the County Treasurer begins foreclosure action. We file a Certificate of Delinquency with Superior Court. As required by law, all parties with a recorded legal interest (revealed by a title search) are served with a notice and summons via certified mail. A notice and summons is published in the County's newspaper of record. (RCW 84.64.050)

**Once the Certificate of Delinquency has been filed, only those with a recorded interest in the property can pay the taxes, interest, penalties and foreclosure costs to redeem the property from foreclosure.**

Approximately three (3) weeks prior to the sale, the Treasurer next receives a judgment from the court authorizing foreclosure of the tax liens and ordering the sale of those parcels.

**Can prior owners redeem property from foreclosure?** Prior owners have no rights to the property after foreclosure, UNLESS they were a minor or legally adjudicated incompetent. Minors and persons legally adjudicated incompetent have the right to redeem anytime with three (3) years from the date of the foreclosure sale. They do so by paying the sales price, plus interest on the tax amount. Please see (RCW 84.64.070) for potential reimbursement of any reasonable improvements.

**What happens to all of the property liens?** Generally, all liens on foreclosed properties are extinguished. IRS liens are usually extinguished, but they are subject to a one hundred twenty (120) day redemption period. If prior lien holders attempt to collect on their liens after the property has been foreclosed on, it is entirely up to the new owner to defend against these claims. Outstanding RID, LID liens are assumed to also not be extinguished.

**What happens to excess proceeds?** If a parcel is sold at auction for more than the amount owing, the previous title owner of record can file a claim for the surplus money. This is the party who held title on the day that we filed the Certificate of Delinquency. They have up to three (3) years from the date of sale to make their claim. (RCW 84.64.080)

**What happens to parcels not sold at the foreclosure sale?** Parcels offered at tax foreclosure sales, but not sold, are deeded to the County as "Tax Title" and held in trust. They may still be purchased from the County through a different process. Tax-title parcels are subject to the same risks as tax foreclosure parcels.

**How are "Tax Title" properties purchased?** An Application & Information sheet along with a current list of Tax Title properties can be viewed on the County website at [www.grantcountywa.gov](http://www.grantcountywa.gov)

### **\*\*\*RESEARCH\*\*\*RESEARCH\*\*\*RESEARCH\*\*\***

Thorough research on all potential purchases is essential. It is important that you complete this research before the day of the sale. There are risks when buying foreclosure and tax title properties. Buying property without doing complete research can result in unwanted and costly surprises.

#### **\*\*Resources\*\***

**The information provided on the County website is only a starting point. It is up to the buyer to pursue other resources.**

**Title Insurance-** Some title companies won't provide title insurance for up to ten (10) years from the date of sale. Policies vary with each title company. If you are planning to build, title insurance may be important.

**Zoning-** We do not represent what the property is zoned for. Questions on buildability, zoning, use restrictions and controls along with other issues should be looked into before a purchase. City Hall and County Building & Planning offices can provide information.

**Assessments-** Some parcels may have improvement or special assessments for which payment is due. Find out what districts or associations service the parcel you are researching.

**Local Ordinances-** Some properties may have easements or use restrictions and zoning or other land use controls. We sell all properties subject to applicable City and County ordinances. The existence of these is the buyer's responsibility to detect.

**Community Association Dues-** We sell all properties subject to restrictive covenants, if applicable, allowing for imposition of community associates fees.

**Easements-** Recorded easements are unaffected by tax foreclosure.

**Physical Inspection of Property-** It is recommended that you visit the property you are researching. Look at exactly what is being offered for sale. Is there an access to the parcel? Can property boundaries be identified? Are non-owners using the parcel?

**Improvements-** If there are improvements on the parcel, find out if they go with the land and how they are currently used.